

**POLICE GUARANTEE TRUST OF THE
EMPLOYEES' RETIREMENT SYSTEM OF THE
CITY OF BATON ROUGE AND
PARISH OF EAST BATON ROUGE**

**ACTUARIAL VALUATION REPORT
AS OF JANUARY 1, 2017**

**CONTRIBUTIONS APPLICABLE TO THE PLAN/
FISCAL YEAR ENDED DECEMBER 31, 2018**



May 24, 2017

Board of Trustees
Employees Retirement System
City of Baton Rouge and Parish of East Baton Rouge
209 St. Ferdinand Street
P.O. Box 1471
Baton Rouge, LA 70821

Re: Police Guarantee Trust of the Employees' Retirement System of the
City of Baton Rouge and Parish of East Baton Rouge

Dear Board Members:

We are pleased to present this report of the annual actuarial valuation of the Police Guarantee Trust of the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year. Please note that this valuation may not be applicable for any other purpose.

The valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects laws and regulations issued to date pursuant to applicable federal laws and regulations, unless otherwise noted in the Valuation Notes beginning on page 14 of this report. In our opinion, the assumptions used in this valuation, as recommended by the prior actuary and adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations.

In conducting the valuation, we have relied on personnel, plan design, asset information, and financial reports supplied by the retirement system, and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced

appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

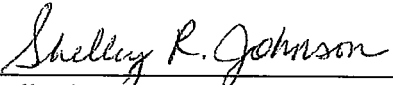
The undersigned are familiar with the immediate and long-term aspects of pension valuations, and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Baton Rouge and Parish of East Baton Rouge, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Police Guarantee Trust of the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at 239-433-5500.

Respectfully submitted,

Foster & Foster, Inc.


Shelley R. Johnson, ASA, MAAA



D. Patrick McDonald, FSA, EA, MAAA, FCA
Enrolled Actuary No. 17-04834

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SUMMARY OF REPORT

The regular annual actuarial valuation of the Police Guarantee Trust of the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge performed as of January 1, 2017, has been completed, and the results are presented in this Report. The contribution amounts developed in this valuation are applicable to the plan/fiscal year ending December 31, 2018.

The contribution requirements, compared with those developed in the January 1, 2016 Actuarial Valuation Report (as prepared by Nyhart), are as follows:

Valuation Date	1/1/2017	1/1/2016
Applicable Plan/Fiscal Year End	<u>12/30/2018</u>	<u>12/30/2017</u>
Employer Required Contribution	2,455,093 ¹	3,795,014
% of Total Annual Payroll	18.50%	26.77%

¹ Payment is assumed to be made on January 1, 2018. If payment is made on a later date, the amount should be increased based on a 7.25% interest rate.

Overall there was unfavorable actuarial experience during the past year. The primary components of unfavorable experience included a 2.76% investment return (Actuarial Asset basis), that fell short of the 7.25% assumption. In addition, there was a net loss on the plan's liabilities. The actual employer contribution was significantly less than the actuarially determined contribution for the year. The deficit becomes part of the current Unfunded Actuarial Accrued Liability. However, in spite of this unfavorable actuarial experience and contribution deficit, the Employer Required Contribution has decreased, both in the dollar amount and when expressed as a percentage of Total Annual Payroll. This is due to a change in the Actuarial Cost Method and amortization period, as approved by the Board of Trustees. The impact of this change is displayed in the Comparative Summary section of this report.

The balance of this Report presents additional details of the actuarial valuation and the general operation of the Fund. The undersigned would be pleased to meet with the Board of Trustees in order to discuss the Report and any pending questions concerning its contents.

Respectfully submitted,

FOSTER & FOSTER, INC.

By: Shelley R. Johnson
Shelley R. Johnson, ASA, MAAA

By: D. Patrick McDonald
D. Patrick McDonald, FSA, EA, MAAA, FCA

CHANGES SINCE PRIOR VALUATION

Plan Changes

There have been no changes in benefits since the prior valuation.

Actuarial Assumption/Method Changes

The Actuarial Cost Method changed from Aggregate to Entry Age Normal, with changes to the Unfunded Actuarial Accrued Liability amortized as a level dollar over a 15-year open period. These changes were adopted by the Board of Trustees on July 28, 2016.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	New Method <u>1/1/2017</u>	Old Method <u>1/1/2017</u>	<u>1/1/2016</u>
A. Participant Data			
Actives	158	158	174
Service Retirees	15	15	17
DROP Retirees	49	49	52
DROP Balance Only	120	120	106
Beneficiaries	2	2	2
Disability Retirees	0	0	0
Terminated Vested	<u>3</u>	<u>3</u>	<u>4</u>
Total	347	347	355
Total Annual Payroll	\$13,271,888	\$13,271,888	\$14,177,878
B. Assets			
Actuarial Value (AVA) ¹	21,173,125	21,173,125	22,850,794
Market Value (MVA) ¹	17,264,149	17,264,149	18,565,604
AVA/MVA	122.6%	122.6%	123.1%
C. Liabilities			
Present Value of Benefits			
Actives			
Retirement Benefits	12,836,365	12,836,365	13,878,198
Interest on DROP	2,270,922	2,270,922	2,306,518
Receiving MPERS Benefit	189,053	189,053	188,034
Not Yet Receiving MPERS Benefit	0	0	52,278
DROP (Future Benefits)	3,422,084	3,422,084	2,945,862
DROP (Accounts) ¹	23,023,196	23,023,196	21,836,366
Terminated Vested	<u>68,781</u>	<u>68,781</u>	<u>8,900</u>
Total	41,810,401	41,810,401	41,216,156

C. Liabilities - (Continued)	New Method <u>1/1/2017</u>	Old Method <u>1/1/2017</u>	<u>1/1/2016</u>
Present Value of Future Benefits	41,810,401	41,810,401	41,216,156
Actuarial Value (AVA)	21,173,125	21,173,125	22,850,794
Present Value of Future Salaries	55,290,414	55,290,414	71,910,596
Present Value of Future Normal Costs	1,552,364	20,637,276	18,365,362
Total Normal Cost	366,965	4,953,763	3,620,911
Present Value of Future Member Contributions	273,006	273,006	418,117
Present Value of Future Sponsor Normal Costs	1,279,358	20,364,270	17,947,245
Sponsor Normal Cost	304,395	4,888,231	3,538,475
Accrued Liability (Actives)			
Receiving MPERS Benefit	11,524,596	11,524,596	11,955,543
Interest on DROP	2,030,327	2,030,327	2,005,384
Accrued Liability (Inactives)	<u>26,703,114</u>	<u>26,703,114</u>	<u>25,031,440</u>
Total Actuarial Accrued Liability (AL)	40,258,037	40,258,037	38,992,367
Unfunded Actuarial Accrued Liability (UAAL)	19,084,912	N/A	N/A
Funded Ratio (AVA / AL)	52.6%	52.6%	58.6%

Valuation Date	New Method 1/1/2017	Old Method 1/1/2017	1/1/2016
Applicable to Fiscal Year Ending	<u>12/31/2018</u>	<u>12/31/2018</u>	<u>12/31/2017</u>

D. Pension Cost

Sponsor Normal Cost	\$304,395	\$4,888,231	\$3,538,475
% of Total Annual Payroll ²	2.29	36.83	24.96
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 15 years as of 01/01/2017	\$1,984,736	N/A	N/A
% of Total Annual Payroll ²	14.95	N/A	N/A
Interest to Estimated Payment Date ³	\$165,962	\$354,397	\$256,539
Total Required Sponsor Contribution ³	\$2,455,093	\$5,242,628	\$3,795,014
% of Total Annual Payroll ²	18.50	39.50	26.77

¹ The asset values and liabilities for DROP Members include accumulated DROP Balances as of 12/31/2016 and 12/31/2015.

² Contributions developed as of 01/1/2017 are expressed as a percentage of Total Annual Payroll as of 01/1/2017 of \$13,271,888.

³ Payment is assumed to be made as of the beginning of the applicable fiscal year.

ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rates

RP-2000 Combined Healthy Mortality with a Blue Collar Adjustment, Projected to 2019 using Scale BB.

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	0.0326%	0.0180%
30	0.0686%	0.0277%
40	0.1295%	0.0829%
50	0.2278%	0.1854%
60	0.7237%	0.4089%
70	2.0079%	1.4815%

Disabled Lives:

RP-2000 Disabled Mortality, projected to 2019 using Scale BB.

Interest Rate

7.25% per annum, compounded annually, net of investment related expenses.

Inflation

2.75% per year.

Salary Increases

Inflation, plus

<u>Age</u>	<u>Increase</u>
30	4.00%
35	2.00%
40	2.00%
45	1.00%
50	0
55	0

MPERS COLA

2.00% compounded annually.

Retirement Rates

Before 25 Years of Creditable Service

<u>Age</u>	<u>Retirement</u>
55 – 60	10%
61 – 63	20%
64	25%
65+	100%

After 25 Years of Creditable Service

<u>Years of Service</u>	<u>Retirement</u>
25	20%
26	30%
27	40%
28+	100%

Termination Rates

<u>Age</u>	<u>Turnover</u>
20	7.9%
25	7.7%
30	7.2%
35	6.3%
40	5.2%
45	4.0%
50	2.6%
55	0.9%
60	0.1%

The turnover rates are modified as followed, based on years of employment:

<u>Years of Service</u>	<u>Adjustment</u>
0 – 1	110%
2	85%
3	45%
4 – 10	45%
11 – 15	25%
16+	15%

Disability Rates

<u>Age</u>	<u>Disability</u>
20	0.06%
25	0.06%
30	0.06%
35	0.07%
40	0.11%
45	0.22%
50	0.46%
55	1.02%
60	3.20%
61	3.55%
62	4.00%
63	4.50%
64	4.10%
65	1.95%

It is assumed that 75% of Police Officer disablements are service related.

Assumed Converted Leave Transfers to Retirement System

1.50 years

Administrative Expenses

There is no administrative expense load added to the Contribution Requirements for the Plan.

Percent Married

80% of Members are assumed to be married with husbands 3 years older than wives.

Actuarial Cost Method

Entry Age Normal (previously Aggregate).

Contribution Interest Adjustment

The following load is applied for determination of the Sponsor Contribution:

Interest – A full year, based on the current 7.25% assumption.

Asset Valuation Method

Expected Value Method. 20% of investment gains or losses are recognized annually.

Ancillary Benefits

MPERS ancillary benefits (turnover, disability, death) are assumed to be greater than CPERS ancillary benefits.

Interest on Future MPERS DROP Accounts

7.25%, compounded annually for three years, payable at DROP exit.

Withdrawal of Employee Contributions

100% of employees who terminate other than for retirement, death, or disability, are assumed to withdraw their contributions.

The above assumptions were selected by the Board, with the advice of the prior actuary. We believe these assumptions are reasonable for purposes of this valuation, unless otherwise noted in the Valuation Notes beginning on page 14 of this report. In particular, we believe that the mortality rates sufficiently accommodate future mortality improvement.

VALUATION NOTES

Total Annual Payroll is the annual rate of pay for the fiscal year following the valuation date of all covered Members.

Present Value of Benefits is the single sum value on the valuation date of all future benefits to be paid to current Members, Retirees, Beneficiaries, Disability Retirees and Vested Terminations.

Total Required Contribution is equal to the Normal Cost plus an amount sufficient to amortize the Unfunded Actuarial Accrued Liability over 15 years. The required amount is adjusted for interest according to the timing of contributions during the year.

Amortization of Unfunded Actuarial Accrued Liability – Beginning January 1, 2017, the UAAL is amortized as a level dollar over a 15-year open period. In our opinion, the 15-year open period is inconsistent with the plan accumulating adequate assets to make benefit payments when due, even if all calculated contributions are paid when due, since the plan is closed to new entrants and projected benefit payments are heavily weighted to the near term. We will provide recommended alternative amortization periods for the Board to consider adopting for future valuations.

Entry Age Normal Cost Method - Under this method, the normal cost is determined as a level percentage of pay over the service life of each participant. The total normal cost is the sum of the individual normal costs for all active participants. For an active participant, the normal cost is the participant's normal cost accrual rate, multiplied by the participant's current compensation.

- (a) The normal cost accrual rate equals the present value of future benefits for the participant, determined as of the participant's entry age, divided by the present value of the compensation expected to be paid to the participant for each year of the participant's anticipated future service, determined as of the participant's entry age.
- (b) In calculating the present value of future compensation, the salary scale is applied both retrospectively and prospectively to estimate compensation in years prior to and subsequent to the valuation year based on the compensation used for the valuation.
- (c) The accrued liability is the sum of the individual accrued liabilities for all participants and beneficiaries. A participant's accrued liability equals the present value, at the participant's attained age, of future benefits less the present value at the participant's attained age of the individual normal costs payable in the future. A beneficiary's accrued liability equals the present

value, at the beneficiary's attained age, of future benefits. The unfunded accrued liability equals the total accrued liability less the actuarial value of assets.

- (d) Under this method, the entry age used for each active participant is the participant's age at the time he or she would have commenced participation if the plan had always been in existence under current terms, or the age as of which he or she first earns service credits for purposes of benefit accrual under the current terms of the plan.

Asset Valuation Method is the method used to determine the Actuarial Value of Assets, which are used for funding purposes. The current method was developed using an asset valuation method adopted by the Board of Trustees, beginning in 2002. The method recognizes the expected Actuarial Value of Assets plus 20% of the total actuarial investment gain or loss during the prior year. The actuarial investment gain or loss is defined as the actual Market Value of Assets minus the expected Actuarial Value of Assets. Actuarial Standard of Practice No. 44 states that an essential element of an asset valuation method is that the Actuarial Value of Assets should converge to the Market Value of Assets within a reasonable period of time, assuming the investment return assumption is realized in future periods. In our view, the current method does not meet this description. If the Actuarial Value of Assets differ from the Market Value of Assets by a substantial margin and do not converge to the Market Value of Assets within a reasonable period of time, the resulting contribution requirements may not result in assets appropriate to fund plan benefits (may be too high or too low). We will provide recommended alternative methods for the Board to consider adopting for future valuations.

STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2016

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Money Market	1,059,686.27	1,059,686.27
Cash	1,995,907.00	1,995,907.00
Total Cash and Equivalents	3,055,593.27	3,055,593.27
Receivables:		
Member Contributions	1,037.00	1,037.00
Employer Contributions	411,596.00	411,596.00
From Broker for Investments Sold	136,800.00	136,800.00
Investment Income	427.00	427.00
Total Receivable	549,860.00	549,860.00
Investments:		
Fixed Income	4,793,965.05	6,075,058.96
Equities	4,539,082.30	6,953,180.07
Alternative	625,631.07	768,575.99
Total Investments	9,958,678.42	13,796,815.02
Total Assets	13,564,131.69	17,402,268.29
<u>LIABILITIES</u>		
Payables:		
Accrued Expenses and Benefits	138,119.00	138,119.00
Total Liabilities	138,119.00	138,119.00
NET POSITION RESTRICTED FOR PENSIONS	13,426,012.69	17,264,149.29

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2016
Market Value Basis

<u>ADDITIONS</u>		
Contributions:		
Member		63,855.73
Employer		581,006.61
Total Contributions		644,862.34
Investment Income:		
Net Realized Gain (Loss)	647,105.69	
Unrealized Gain (Loss)	433,352.55	
Net Increase in Fair Value of Investments		1,080,458.24
Interest & Dividends		13,218.34
Less Investment Expense ¹		(119,086.46)
Net Investment Income		974,590.12
Total Additions		1,619,452.46
<u>DEDUCTIONS</u>		
Distributions to Members:		
Benefit Payments		589,206.47
Lump Sum DROP Distributions		2,062,190.24
Refunds of Member Contributions		0.00
Total Distributions		2,651,396.71
Administrative Expense		269,510.46
Total Deductions		2,920,907.17
Net Increase in Net Position		(1,301,454.71)
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		18,565,604.00
End of the Year		17,264,149.29

¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

ACTUARIAL ASSET VALUATION
December 31, 2016

Actuarial Assets for funding purposes are developed by recognizing 20% of the total actuarial investment gain or loss during the prior year. The actuarial investment gain or loss is defined as the actual Market Value of Assets minus the Expected Actuarial Value of Assets.

<u>Development of Investment Gain/(Loss)</u>	
Market Value of Assets, 12/31/2015	18,565,604
Actuarial Value of Assets, 12/31/2015	22,850,794
Contributions Less Benefit Payments & Admin Expenses	(2,276,045)
Expected Investment Earnings on Actuarial Value	1,575,620
Expected Actuarial Value of Assets, 12/31/2016	<u>22,150,369</u>
Market Value of Assets, 12/31/2016	17,264,149
Asset Gain/(Loss)	(4,886,220)

<u>Development of Actuarial Value of Assets</u>	
Expected Actuarial Value of Assets, 12/31/2016	22,150,369
20% Recognition of Asset Gain/(Loss)	(977,244)
Actuarial Value of Assets, 12/31/2016	<u>21,173,125</u>

(A) 12/31/2015 Actuarial Assets:	22,850,794
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(I) Net Investment Income:	
1. Interest and Dividends	13,218
2. Realized Gains (Losses)	647,106
3. Change in Actuarial Value	57,138
4. Investment Expenses	(119,086)
Total	<u>598,376</u>

(B) 12/31/2016 Actuarial Assets:	21,173,125
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Actuarial Asset Rate of Return = $2I/(A+B-I)$:	2.76%
Market Value of Assets Rate of Return:	5.59%

Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)	(977,244)
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CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2016
Actuarial Asset Basis

REVENUES

Contributions:		
Member	63,855.73	
Employer	581,006.61	
Total Contributions		644,862.34
Earnings from Investments:		
Interest & Dividends	13,218.34	
Net Realized Gain (Loss)	647,105.69	
Change in Actuarial Value	57,138.43	
Total Earnings and Investment Gains		717,462.46
	EXPENDITURES	
Distributions to Members:		
Benefit Payments	589,206.47	
Lump Sum DROP Distributions	2,062,190.24	
Refunds of Member Contributions	0.00	
Total Distributions		2,651,396.71
Expenses:		
Investment related ¹	119,086.46	
Administrative	269,510.46	
Total Expenses		388,596.92
Change in Net Assets for the Year		(1,677,668.83)
Net Assets Beginning of the Year		22,850,794.00
Net Assets End of the Year		21,173,125.17

¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

**SUMMARY OF ACTUARIAL ACCRUED LIABILITIES
AND PERCENTAGE COVERED BY NET ASSETS AVAILABLE FOR BENEFITS**

Valuation Date	(1) Active Member Contributions ¹	(2) Retirees and Survivors ²	(3) Terminated Vested Members	(4) Active Member Employer Provided	Net Assets Available for Benefits ³	Percentage of Actuarial Liabilities Covered by Assets			
	-\$-	-\$-	-\$-	-\$-	-\$-	(1) -%-	(2) -%-	(3) -%-	(4) -%-
1/1/2007	9,570,474	1,713,136	-	11,467,524	28,273,898	100.0	100.0	100.0	100.0
1/1/2008	10,755,863	2,895,401	-	11,458,129	29,042,317	100.0	100.0	100.0	100.0
1/1/2009	13,570,146	4,236,669	-	11,708,710	27,725,379	100.0	100.0	100.0	84.7
1/1/2010	15,408,593	3,746,234	-	11,065,584	26,874,490	100.0	100.0	100.0	69.8
1/1/2011	17,009,458	4,491,949	-	10,097,628	26,869,584	100.0	100.0	100.0	53.2
1/1/2012	18,720,950	4,343,650	-	9,672,138	26,206,315	100.0	100.0	100.0	32.5
1/1/2013	18,586,440	4,097,007	-	9,531,370	24,810,218	100.0	100.0	100.0	22.3
1/1/2014	18,493,361	3,800,666	11,641	9,745,773	23,314,114	100.0	100.0	100.0	10.3
1/1/2015	20,632,861	2,755,604	12,763	9,604,613	23,382,542	100.0	99.8	0.0	0.0
1/1/2016	23,724,080	3,186,174	8,900	13,220,191	22,850,794	96.3	0.0	0.0	0.0
1/1/2017 ⁴	23,716,549	3,611,137	68,781	12,861,570	21,173,125	89.3	0.0	0.0	0.0

¹ Includes DROP Accounts.

² Includes DROP Participants' Future Benefits.

³ Actuarial Asset Value

⁴ Beginning 1/1/2017, Actuarial Accrued Liabilities are calculated under the Entry Age Normal Actuarial Cost Method. Previously, Actuarial Accrued Liabilities were calculated under the Projected Unit Credit Actuarial Cost Method.

STATISTICAL DATA

	<u>1/1/2016</u>	<u>1/1/2017</u>
<u>Actives</u>		
Number	174	158
Average Current Age	46.7	47.3
Average Age at Employment	26.4	26.5
Average Past Service	20.3	20.8
Average Annual Salary	\$81,482	\$83,999
<u>Service Retirees</u>		
Number	17	15
Average Current Age	58.1	59.8
Average Annual Benefit	\$4,584	\$4,023
<u>DROP Retirees</u>		
Number	52	49
Average Current Age	52.3	52.3
DROP Balance	\$6,611,623	\$6,189,971
<u>DROP Balance Only</u>		
Number	106	120
Average Current Age	60.2	60.6
DROP Balance	\$14,136,379	\$16,833,225
<u>Beneficiaries</u>		
Number	2	2
Average Current Age	61.7	64.6
Average Annual Benefit	\$1,487	\$1,487
<u>Disability Retirees</u>		
Number	0	0
Average Current Age	N/A	N/A
Average Annual Benefit	N/A	N/A
<u>Terminated Vested</u>		
Number	4	3
Average Current Age	50.3	51.9
Average Annual Benefit	\$912	\$18,661

AGE AND SERVICE DISTRIBUTION

PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19	0	0	0	0	0	0	0	0	0	0	0	0
20 - 24	0	0	0	0	0	0	0	0	0	0	0	0
25 - 29	0	0	0	0	0	0	0	0	0	0	0	0
30 - 34	0	0	0	0	0	0	0	0	0	0	0	0
35 - 39	0	0	0	0	0	0	0	0	0	0	0	0
40 - 44	0	0	0	0	0	0	0	31	12	0	0	43
45 - 49	0	0	0	0	0	0	0	24	45	7	0	76
50 - 54	0	0	0	0	0	0	0	10	12	3	0	25
55 - 59	0	0	0	0	0	0	0	4	5	3	0	12
60 - 64	0	0	0	0	0	0	0	0	2	0	0	2
65+	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	69	76	13	0	158

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 1/1/2016	174
b. Retired with MPERS benefit greater than CPERS	(3)
c. Deaths	0
d. Disabled	0
e. Retired	0
f. DROP	(13)
g. Continuing participants	158
h. New entrants	0
i. Total active life participants in valuation	158

2. Non-Active lives (including beneficiaries receiving benefits)

	Service Retirees, Vested Receiving <u>Benefits</u>	DROP <u>Benefits</u>	DROP Balance <u>Only</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	Vested <u>Deferred</u>	<u>Total</u>
a. Number prior valuation	17	52	106	2	0	4	181
Retired	0	0	0	0	0	0	0
DROP	0	13	0	0	0	0	13
Vested Deferred	0	0	0	0	0	0	0
Death	0	0	0	0	0	0	0
Disabled	0	0	0	0	0	0	0
DROP Balance Only	0	(11)	11	0	0	0	0
Rehires	0	0	0	0	0	0	0
Departures	(2)	(5)	(4)	0	0	(1)	(12)
Additions	0	0	7	0	0	0	7
b. Number current valuation	15	49	120	2	0	3	189

SUMMARY OF PLAN PROVISIONS

EFFECTIVE DATE	This plan was effective February 26, 2000 and was most recently amended effective February 28, 2001.
ELIGIBILITY	Eligible police employees who are active members or in the Deferred Retirement Option Plan (DROP) of the City of Baton Rouge and Parish of East Baton Rouge (CPERS) on February 26, 2000 who elected to transfer into the Municipal Police Employees' Retirement System of Louisiana (MPERS) are automatically included in the Police Guarantee Trust (PGT).
ACCRUED BENEFIT	The excess of benefits that would have been payable under CPERS, based on the provisions in effect on February 26, 2000, over the benefits payable under CPERS. PGT benefits reflect any increases in MPERS benefits due to cost-of-living adjustments.
RETIREMENT BENEFITS	Members are paid the full accrued benefit until the MPERS benefit amount is greater than the CPERS benefit amount.
DROP BENEFITS	Members enter into PGT DROP with payments credited to the PGT DROP account until the later of two years or eligibility for MPERS DROP. Investment returns for MPERS and PGT DROP Accounts are credited to the PGT DROP Account.
MEMBER CONTRIBUTIONS	Based on current member contribution rate under CPERS, applied to member's compensation not covered by MPERS. Member contributions are "picked up" by the City.
EMPLOYER CONTRIBUTIONS	Balance of actuarially required contribution less member contributions, as determined above.
DETAIL OF PLAN PROVISIONS	More detail on the plan provisions for the CPERS and MPERS benefits can be found in the most recent January 1 Actuarial Valuation Reports.